

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-14 ISO-00 CAB-05 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 NSC-05
SS-15 /058 R

DRAFTED BY EB/AN:ARIMAS:JG
APPROVED BY EB/OA/AN:RABRO;N
ARA/ECP:ETAHER (SUBS)
CAB:DLITTON (INFO)
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-----042314 142132Z /70
R 141843Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY BUENOS AIRES

UNCLAS STATE 298041

E.O. 11652: N/A

TAGS: EAIR, AR

SUBJECT: US-ARGENTINE CIVAIR CONSULTATIONS

1. SUBJECT WEEK-LONG TALKS ADJOURNED ON DECEMBER 2 WITH
SIGNING OF MEMORANDUM OF CONSULTATIONS OUTLINING RESPECTIVE
POSITIONS ON CHARTERS, USER CHARGES, GROUND HANDLING, FUEL
TAX, LOW FARES AND OTHER ISSUES. NO COMMITMENTS WERE MADE
TO RESUME TALKS. COPY OF MEMCON BEING POUCHED.

2. RE CHARTERS, USDEL PROPOSED CHARTER MOU WHICH WOULD
ALLOW DESIGNATION OF BOTH SCHEDULED AND SUPPLEMENTAL AIR-
LINES FOR CHARTER SERVICES WITHOUT RESTRICTIONS ON
FREQUENCIES OR CAPACITY, AND WHICH WOULD PROVIDE FOR
COUNTRY-OF-ORIGIN RULES WITH RESPECT TO CHARTERWORTHINESS.
ARGENTINE DELEGATION, CHAIRED BY LARGHI, INSISTED THAT ONLY
SCHEDULED AIRLINES BE ELIGIBLE TO OPERATE CHARTERS, AND THAT
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APPROVALS OF PARTICULAR FLIGHTS, AS WELL AS THE CONDITIONS
FOR THE OPERATIONS OF FLIGHTS IN GENERAL, BE REGULATED BY
MUTUAL AGREEMENT OF THE RESPECTIVE AERONAUTICAL AUTHORITIES.
USDEL EXPRESSED ITS READINESS TO ACCEPT A MOU FOR AN

EXPERIMENTAL TIME PERIOD, SUCH AS TWO YEARS AND TO CONSULT
IF ANY PROBLEMS AROSE. HOWEVER, WE COULD NOT ACCEPT THE

DISCRIMINATORY AND RESTRICTIVE ASPECTS OF THE ARGENTINE DRAFT. THE ARGENTINES INDICATED THEY WILL STUDY CLOSELY THEIR CHARTER EXPERIENCES DURING THE WORLD CUP SOCCER GAMES NEXT SPRING, AND THAT IT MAY BE APPROPRIATE TO DISCUSS CHARTERS AGAIN AFTER JULY 1978.

3. CONCERNING GROUND HANDLING, LARGHI RULED OUT SELF-HANDLING BUT PROMISED TO DO ALL HE COULD TO IMPROVE SERVICES UPON RECEIPT FROM US AIRLINES DETAILED INFORMATION RELATING TO THEIR DIFFICULTIES. HE ALSO SUGGESTED WE MAY CONSIDER HAVING GROUND HANDLING SERVICES FOR AEROLINEAS IN US PERFORMED BY AFFECTED US AIRLINES. USDEL PROMISED TO FACILITATE FLOW OF INFORMATION FROM US AIRLINES TO LARGHI.

4. USDEL EMPHASIZED ITS STATUTORY RESPONSIBILITY UNDER FAIR COMPETITIVE PRACTICES ACT TO DISCUSS USER CHARGES AND REITERATED ITS INTEREST IN RECEIVING ASAP THE EXPLANATORY COST DATA PROMISED BY ARGENTINES DURING MARCH 1977 VISIT OF US TECHNICAL TEAM HEADED BY KEITER. ARGENTINE DELEGATION PROMISED TO SUBMIT SUCH DATA PROMPTLY.

5. RE FUEL TAX PROBLEM, USDEL REFERRED TO THE MUTUAL UNDERSTANDING REACHED IN MARCH 1977 TO EXCHANGE NOTES BRINGING ABOUT A RECIPROCAL EXEMPTION FROM FUEL TAX. USDEL INDICATED THAT US NOTE WOULD BE READY SOON FOR TRANSMISSION TO GOA THROUGH EMBASSY, BUENOS AIRES. ARGENTINE UNCLASSIFIED

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DEL PROMISED TOURGE APPROPRIATE ARGENTINE AUTHORITIES TO COMPLETE NOTE EXCHANGE EXPEDITIOUSLY.

6. AFTER USDEL URGED ARGENTINES TO UNDERTAKE COMMITMENT TO ACCEPT INNOVATIVE LOW FARES, ARGENTINES RESPONDED THAT THEY WERE HAPPY WITH IATA MECHANISM AND THAT FARES SHOULD TAKE INTO ACCOUNT NEED FOR AIRLINES TO MAKE SUITABLE PROFITS.

7. WITH REGARD TO SCHEDULED SERVICES, ARGENTINES ASSERTED THAT ROUTE 1 IN SPANISH VERSION OF JULY MOU ALLOWS NON-STOP MIAMI-MONTREAL SERVICES. USDEL INDICATED THAT ON ROUTE 1 ALL FLIGHTS SERVING MONTREAL WOULD BE REQUIRED TO STOP AT NEW YORK. ISSUE WAS NOT PURSUED BY LARGHI.

8. RE SCHEDULED ALL-CARGO SERVICES USDEL INFORMED LARGHI THAT WE ARE UNABLE NOW TO SPECIFY NUMBER OF ALL-CARGO FREQUENCIES TO BE FLOWN BY DESIGNATED US AIRLINES. ARGENTINES INDICATED THAT PENDING RECEIPT OF INFORMATION, SCHEDULED ALL-CARGO SERVICES CAN BE OPERATED ON BASIS OF EXISTING PRACTICE.

9. CAB'S INVESTIGATION OF AEROLINEAS FOR ALLEGED FARE IRREGULARITIES WAS REVIEWED BY LARGHI. HE FOUND THIS INCONSISTENT WITH PARA 3 OF JULY MOU. USDEL INDICATED THIS MATTER WAS UNDER REVIEW BY CAB AND AGREED TO CONVEY TO BOARD THE ARGENTINE POSITION.

10. TALKS WERE HELD IN FRIENDLY ATMOSPHERE AND ENDED WITH NO SPECIFIC COMMITMENTS TO RESUME. IN HIS PARTING COMMENTS LARGHI SUGGESTED VISIT BY A US CIVAIR EXPERT WHO WOULD BE ABLE TO FOLLOW-UP WITH VARIOUS ARGENTINE OFFICIALS ON USER CHARGES, FUEL TAX, AND OTHER TECHNICAL ISSUES.

CHRISTOPHER

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Message Attributes

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
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Review Withdrawn Fields: n/a
SAS ID: 236688
Secure: OPEN
Status: NATIVE
Subject: US-ARGENTINE CIVAIR CONSULTATIONS
TAGS: EAIR, AR, US
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